

## Article - Local Government

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§10–203.

(a) (1) Subject to any limit imposed by a county charter and this subsection, a county may provide for the borrowing of money on the faith and credit of the county and for the issuance of bonds or other evidences of indebtedness in accordance with local law.

(2) (i) Except as provided in subparagraph (ii) of this paragraph, the aggregate amount of bonds and other evidences of indebtedness outstanding at any one time may not exceed the sum of 6% of the assessable basis of all real property in the county plus 15% of the county's assessable basis of personal property and operating real property as described in § 8–109(c) of the Tax – Property Article.

(ii) The following evidences of indebtedness may not be considered as bonds or evidences of indebtedness in applying the limits in this subsection:

1. tax anticipation notes or other evidences of indebtedness having a maturity not in excess of 12 months;

2. bonds or other evidences of indebtedness issued or guaranteed by the county payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing districts; and

3. bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services.

(3) (i) If a petition for submission to referendum is filed in accordance with the county charter and local laws of a county, a local law authorizing the borrowing of money or issuance of bonds or other evidences of indebtedness shall be submitted to the voters of the county for approval or rejection.

(ii) If the county charter does not contain a provision for submission to referendum, a local law that authorizes the borrowing of money or issuance of bonds or other evidences of indebtedness shall be submitted to the voters of the county for approval or rejection if a petition for submission to referendum that bears the signatures of at least 10% of the registered voters of the county is filed with the county board of elections within 75 days after the local law is enacted.

(b) (1) A county may provide for the issuance of bonds or other evidences of indebtedness payable as to principal and interest and premium, if any, solely from the money received from or in connection with any system, project, or undertaking, all or part of which is financed from the proceeds of the bonds or other evidences of indebtedness.

(2) Bonds or other evidences of indebtedness issued under this subsection:

(i) are not an indebtedness of the county or a pledge of its faith and credit or taxing power;

(ii) may be sold at a private, negotiated sale; and

(iii) are not subject to the limitations of:

1. subsection (a) of this section;

2. §§ 19–205 and 19–206 of this article; or

3. the county charter.

(3) This subsection does not limit the power of a county to issue revenue bonds in accordance with any other applicable law.

(c) The bonds, notes, and any other evidences of indebtedness issued under this section, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation of any kind by the State, any political subdivision, or any other public entity.

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